



ARGENTINA - HIGHWAY TRANSPORTATION

A. POLICIES

1. The salient feature of present Argentine policy with respect to highway transportation is the trend toward nationalization of all such services which are considered to be of national interest. Thus Argentina will take over the trucking subsidiaries of foreign-owned railroads concurrently with the pending acquisition of these railroads.

Nationalization of the highway transport systems of Buenos Aires and Rosario will set the pattern for future acquisition of other important highway transportation systems.

Argentine highways were long considered primarily as adjuncts to the railroads. Until 1 January, 1947, Argentine law required the railroads to subscribe 3% of their gross income for road building. Originally such roads were to have fanned out from the railroads to form feeder systems, but beginning in 1932 the government applied certain funds to the construction of highways paralleling the railroads. This produced competition between highway transportation and railroads, forcing the latter in self defense to develop their own trucking lines. Large sums are now included in the Five-Year Plan for development of the Federal Highway System.

City passenger transportation is a government monopoly.

The present relative importance of highways is evidenced by the fact that the share of total cargo handled by trucks in Argentina has risen from 5% (during World War II) to 15%, while the railway share has dropped from 95% to 85%. Between 1940 and 1944 the Federal Highway System increased from 30,773 to 38,584 miles.

2. The highways and transport on them are administered by the Ministry of Public Works, but independently of other forms of inland transport. There is some coordination within the National Economic Council, which is accomplished by a National Coordinator for Highways outside Buenos Aires and a Municipal Coordinator for transport within the Metropolitan Area, where city passenger transportation is a Government monopoly.
3. The location of strategic highways has been primarily determined in the past by economic rather than military conditions. Some roads, however, were undoubtedly constructed to serve military needs. This applies especially to temporary roads and trails northward to the underside of

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Bolivia and roads to military outposts. Among planned roads is one in the direction of the Paraguayan frontier.

4. Highways are constructed from public funds by the Federal government in cooperation with the respective provinces and territories. There are no subsidies to private companies, although the nationalized transport systems are operated at Government cost. The Five-Year Plan includes large appropriations for highways.
5. Highway policy has been based essentially on economic requirements. The economic core of the country has its center in the Buenos Aires seaport area and embraces the great pampas regions and surrounding country southward to the Rio Negro, westwards to the Andean foot hills and northward to the Parana river. The prime mission of the highway network is to expedite the movement of raw materials to ports and of finished products to the interior. This function makes the highways an auxiliary to the railroads.

The most important example of influence on highway transportation policy from vested interests was furnished by the attempt of the railroads to have legislation enacted curbing the increasing activity of the highway carriers. The railroads initially proposed legislation requiring that highway transport be regulated by the National Railways Board, but such obvious attempts to stifle competition were bypassed, and the final draft of the bill established centralized coordination for all public transport.

B. ORGANIZATION

1. The control of highways lies in the Ministry of Public Works, which includes: Direccion Nacional de Transportes; Administracion General de Vialidad; and Corporacion de Transportes de la Ciudad de Buenos Aires.
3. The highway agencies in the Ministry of Public Works are coordinated with agencies handling other forms of transportation at the level of the National Economic Council.
4. Two major laws were passed in 1936-7 providing for the coordination of transportation. The first of these measures was designed to ease the acute competition between tramways, subways, suburban railways, taxicabs omnibusses, and small busses, (the popular "collectivos") in the Buenos Aires Area. Provision was made for the establishment of the Office of the Coordinator of Municipal Transportation. This was followed by a second measure creating the Office of National Coordinator of Transportation with control over long distance transportation "in or between the National Territories, or between

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these and the Provinces, or between these and the Federal Capital."

5. The highway agencies are considered to be operating inefficiently, due to delays in obtaining new equipment and placing it in operation. There has been considerable public criticism of this inefficiency, particularly with respect to the operation of the nationalized systems for city passenger transportation and cargo hauling, as well as the private highway passenger transportation companies.

C. ADMINISTRATION

1. Motor transport lines for passengers are established under procedures set forth in law No. 12346 (1937). Applications are channelled from the immediate Municipal Authorities through the Provincial Officials for final processing by the National Commission for the Coordination of Transport. Cargo transport lines do not need franchises, but must comply with licensing requirements.

The National Commission for the Coordination of Transport controls the approval of highway and construction contracts. The first extensive plan for Federal and Provincial highways envisaged in 1933 an expenditure of \$385,000,000 for the construction of new roads during a 15-year program. Under the recent Five-Year Plan, (1946) the annual expenditure for highways will be approximately \$28,500,000.

2. Passenger rates and other tariffs are based on percentages of 1936 rates and codes. Adjustments are authorized for increased operating costs. The National Highway Transportation Commission is competent for areas outside the Buenos Aires System. For the Metropolitan region the Coordinator of Municipal Transportation is the highest authority.
3. It has been considered in the public interest to nationalize the passenger transport service in Buenos Aires and the river Port of Rosario, and thus restrict competition between carriers.

Small passenger operator competition is restricted by means of franchises restricting routes to specified companies.

Cargo carriers are not subject to similar restrictions, and competition is not limited through Government action.

4. Vehicles must meet specified operating standards set by the police departments and demanded by insurance companies. Additional safety rules are established by the operating companies themselves, to forestall civil damage suits. It is reported that safety standards for passenger transportation are unsatisfactory in regard to fire hazards.

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5. Nationalized transport systems maintain classes for drivers and guides. Driver licenses are subject to examination in both theory and practice. Applicants are required to pass a physical examination.
7. The Highway carriers are subject to the same inspections as the operators of other overland transportation. The reports are used by the tax authorities as well as for purposes of studying working conditions and administering social security. They are submitted to the National Director of Highway Transportation and the Coordinator of Municipal Transportation. Reports on labor matters are forwarded to the Secretary of Labor and Welfare. The National Director of Highway Transportation also receives statistics on passengers and freight.